

Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ending March 31, 2021

May 14, 2021

Listed Company nms Holdings Corporation (nms HD)

Listings: Tokyo Stock Exchange

Securities code 2162 URL <http://www.n-ms.co.jp/>

Representative (Title) President and CEO (Name) Fumiaki Ono

Contact (Title) Managing Director General Manager, Corporate Division (Name) Toshiko Kono Tel 03-5333-1711

Scheduled date of ordinary shareholders' meeting: June 22, 2021

Scheduled date for filing of annual securities report: June 22, 2021

Scheduled date of commencement of dividend payment: June 23, 2021

Supplementary documents for financial results: Yes

Financial results briefing: Yes

(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2021	54,856	(12.4)	689	(25.1)	158	(70.7)	(735)	—
FY03/2020	62,611	8.4	920	67.8	541	(4.8)	280	(32.5)

Note: Comprehensive income FY03/2021 (925) million yen (—%) FY03/2020 195 million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY03/2021	(44.12)	—	(14.0)	0.5	1.3
FY03/2020	16.34	—	4.8	1.7	1.5

Reference: Share of (profit) loss of entities accounted for using equity method FY03/2021 — million yen FY03/2020 — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2021	31,507	4,702	14.9	281.71
FY03/2020	33,470	5,849	17.4	340.18

Reference: Shareholders' equity FY03/2021 4,693 million yen FY03/2020 5,837 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
FY03/2021	943	(919)	664	4,741
FY03/2020	1,816	(2,833)	976	4,156

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
FY03/2020	—	0.00	—	5.00	5.00	85	30.6	1.5
FY03/2021	—	0.00	—	4.00	4.00	66	(9.1)	1.3
FY03/2022 (forecast)		0.00		5.00	5.00		13.9	

3. Consolidated forecasts for year ending March 2022 (April 1, 2021 to March 31, 2022)

(% shows the year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	32,000	22.8	170	22.3	330	—	10	—	0.60
Full year	69,000	25.8	1,200	74.1	1,200	655.0	600	—	36.01

* Notes

- (1) Changes of important subsidiaries during the period
(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None
- (2) Changes in accounting principles and changes or restatement of accounting estimates
- (i) Changes in accounting principles associated with revision of accounting standards, etc.: None
- (ii) Changes in accounting principles other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of shares outstanding (common shares):

(1) Number of shares outstanding at end of period (including treasury shares)

FY03/2021	21,611,000shares	FY03/2020	21,611,000shares
FY03/2021	4,949,759shares	FY03/2020	4,449,759shares
FY03/2021	16,670,874shares	FY03/2020	17,161,263shares

(2) Number of treasury shares at end of period

(3) Average number of shares outstanding during the term

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2021 (April 1, 2020 to March 31, 2020)

(1) Non-consolidated operating results

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2021	650	4.3	169	39.5	249	34.8	174	37.8
FY03/2020	624	(37.0)	121	(72.9)	184	(57.2)	126	(69.1)

	Net income per share	Diluted net income per share
	Yen	Yen
FY03/2021	10.46	—
FY03/2020	7.37	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2021	15,204	1,110	7.3	66.62
FY03/2020	12,984	1,158	8.9	67.31

Reference: Shareholders' equity FY03/2021 1,110million yen FY03/2020 1,155million yen

* Financial summary reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes concerning the forward-looking statements)

The results forecasts and forward-looking statements included in this document are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors.

(Availability of the supplementary documents for financial results)

The supplementary materials on financial results delivered in the briefing will be posted on our website.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Thousand yen)

	FY03/2020 (March 31,2020)	FY03/2021 (March 31,2021)
Assets		
Current assets		
Cash and deposits	4,177,174	4,746,154
Notes and accounts receivable - trade	11,812,540	10,300,146
Finished goods	1,472,875	1,152,791
Work in process	514,158	546,250
Raw materials and supplies	4,037,383	3,852,590
Others	1,113,115	1,070,851
Allowance for doubtful accounts	(11,982)	(10,574)
Total current assets	23,115,265	21,658,210
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,098,598	3,240,505
Machinery, equipment and vehicles, net	2,198,256	2,581,286
Land	1,166,687	1,166,687
Other, net	1,596,621	901,618
Total property, plant and equipment	8,060,162	7,890,096
Intangible assets		
Other	1,095,508	883,399
Total intangible assets	1,095,508	883,399
Investment and other assets		
Investment securities	24,890	17,365
Investments in capital of subsidiaries and affiliates	65,940	65,940
Deferred tax assets	282,183	272,509
Lease and guarantee deposits	248,077	222,309
Other	518,149	450,514
Allowance for doubtful accounts	(6,119)	(6,119)
Total investments and other accounts	1,133,122	1,022,518
Total non-current assets	10,288,794	9,796,014
Deferred assets		
Bond issuance cost	66,106	52,885
Total deferred assets	66,106	52,885
Total assets	33,470,166	31,507,110
Liability		
Current liability		
Notes and accounts payable - trade	4,443,103	3,968,835
Short-term loans payable	7,018,201	9,037,190
Accounts payable - other	1,854,258	1,906,819
Income tax payable	172,312	172,010
Accrued consumption taxes	833,584	362,066
Provision for bonuses	472,090	427,327
Other	1,496,521	1,586,392
Total current liabilities	16,290,069	17,460,639
Non-current liabilities		
Bonds payable	2,000,000	2,000,000
Long-term loans payable	6,758,018	5,956,696
Deferred tax liability	65,824	63,784
Net defined benefit liabilities	363,628	297,239
Lease obligations	641,154	441,227
Other	1,501,793	585,208
Total non-current liabilities	11,330,419	9,344,157
Total liabilities	27,620,488	26,804,796

(Thousand yen)

	FY03/2020 (March 31,2020)	FY03/2021 (March 31,2021)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	527,182	527,182
Retained earnings	6,307,834	5,486,514
Treasury shares	(909,859)	(1,043,513)
Total shareholders' equity	6,425,848	5,470,873
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(7,076)	(6,301)
Foreign currency translation adjustment	(580,843)	(770,990)
Total other accumulated comprehensive income	(587,919)	(777,291)
Subscription rights to shares	3,056	—
Non-controlling interests	8,692	8,732
Total net assets	5,849,677	4,702,314
Total liabilities and net assets	33,470,166	31,507,110

(2) Consolidated statements of income/quarterly consolidated statement of comprehensive income
(Consolidated statements of income) (FY03/2021)

(Thousand yen)

	FY03/2020 (From April 1, 2019 to March 31, 2020)	FY03/2021 (From April 1, 2020 to March 31, 2021)
Net sales	62,611,297	54,856,858
Cost of sales	54,526,023	48,110,784
Gross profit	8,085,273	6,746,073
Selling, general and administrative expenses		
Salaries and bonuses	2,883,694	2,760,843
Provision for bonuses	142,374	109,777
Other	4,138,768	3,186,243
Total selling, general and administrative expenses	7,164,836	6,056,863
Operating income	920,437	689,210
Non-operating income		
Interest income	16,254	26,997
Dividend income	1,078	1,024
Real estate rent	39,864	40,527
Insurance fee	—	25,707
Subsidy income	127,500	—
Insurance premiums refunded cancellation	—	24,323
Other	89,991	77,982
Total non-operating income	274,689	196,563
Non-operating expenses		
Interest expenses	269,490	239,174
Foreign exchange losses	157,899	300,689
Amortization of bond issuance cost	—	13,221
Rent cost of real estate	22,800	21,698
Foreign withholding tax	4,763	1,804
Other	198,345	150,246
Total non-operating expenses	653,299	726,834
Ordinary income	541,827	158,939
Extraordinary income		
Gain on sales of non-current assets	24,618	25,572
Gain on sales of investment securities	—	3,056
Other	168,663	—
Total extraordinary income	193,281	28,628
Extraordinary losses		
Loss on sales of non-current assets	662	—
Loss on retirement of non-current assets	6,982	10,358
Business structure reform expenses	—	92,462
Loss on abandonment of inventories	40,790	—
Loss on COVID-19	—	395,123
Total extraordinary losses	48,435	497,944
Profit /Loss (-) before income taxes	686,673	(310,377)
Total income taxes	405,858	425,530
Net income/loss (-)	280,815	(735,907)
Profit/Loss (-) attributable to non-controlling interests	429	(393)
Profit/Loss (-) attributable to owners of parent	280,385	(735,514)

(Consolidated statement of comprehensive income) (FY03/2021)

(Thousand yen)

	FY03/2020 (From April 1, 2019 to March 31, 2020)	FY03/2021 (From April 1, 2020 to March 31, 2021)
Net income/loss (-)	280,815	(735,907)
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	44,730	775
Foreign currency translation adjustment	(129,969)	(190,452)
Total other comprehensive income/loss (-)	(85,238)	(189,677)
Comprehensive income/loss (-)	195,576	(925,584)
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	195,193	(924,886)
Comprehensive income/loss (-) attributable to non-controlling interests	382	(698)

(3) Quarterly consolidated statement of cash flows

(Thousand yen)

	FY03/2020 (From April 1, 2019 to March 31, 2020)	FY03/2021 (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit /Loss (-) before income taxes	686,673	(310,377)
Depreciation	1,169,146	1,266,302
Increase (decrease) in allowance for doubtful accounts	1,336	(680)
Increase (decrease) in provision for bonuses	(5,401)	(39,256)
Increase (decrease) in net defined benefit liability	100,581	(60,978)
Interest and dividend income	(17,332)	(28,021)
Interest expenses paid	269,490	239,174
Subsidy income	(127,500)	—
Amortization of bond issuance cost	—	13,221
Foreign exchange losses (gains)	4,663	(11,714)
Insurance income	—	(25,707)
Surrender value of insurance	—	(24,323)
Loss on retirement of non-current assets	6,982	10,358
Loss (gain) on sales of non-current assets	(23,956)	(25,572)
Gain on reversal of foreign currency translation adjustment account	(168,663)	—
Gain on reversal of share acquisition rights	—	(3,056)
Business structure reform expenses	—	92,462
Loss on COVID-19	—	395,123
Decrease (increase) in notes and accounts receivable - trade	(1,062,079)	1,329,651
Decrease (increase) in accounts receivable-other	(130,408)	92,314
Decrease (increase) in inventories	245,839	350,394
Increase (decrease) in notes and accounts payable - trade	(45,481)	(331,013)
Increase (decrease) in accounts payable - other	(102,334)	112,681
Increase (decrease) in accrued expenses	(50,874)	(27,464)
Increase (decrease) in accrued consumption taxes	596,341	(487,312)
Increase (decrease) in deposits received	(120,905)	97,823
Increase (decrease) in long-term accounts payable	(41,213)	(7,380)
Increase (decrease) in other non-current liabilities	941,188	(768,085)
Other	192,974	307,890
Subtotal	2,319,066	2,156,454
Proceeds from subsidy income	81,000	15,500
Interest and dividend income received	16,007	21,050
Proceeds from insurance income	—	25,707
Interest expenses paid	(263,624)	(239,207)
Income taxes paid	(344,306)	(587,093)
Income taxes refund	8,659	11,850
Business structure reform expenses paid	—	(92,462)
Proceeds from subsidies for employment adjustment	—	324,241
Payments for loss on COVID-19	—	(692,589)
Net cash provided by (used in) operating activities	1,816,802	943,451

(Thousand yen)

	FY03/2020 (From April 1, 2019 to March 31, 2020)	FY03/2021 (From April 1, 2020 to March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	(43,276)	(35,896)
Proceeds from withdrawal of time deposits	74,304	51,272
Purchase of property, plant and equipment	(1,984,357)	(997,590)
Proceeds from sales of property, plant and equipment	72,637	25,493
Purchase of intangible assets	(91,190)	(42,188)
Proceeds from sales of investment securities	1,679	14,248
Payments for lease and guarantee deposits	(42,472)	(7,363)
Proceeds from collection of lease and guarantee deposits	23,956	28,556
Net decrease (increase) in short-term loans receivable	(991)	540
Collection of long-term loans receivable	—	1,200
Payments for transfer of business	(845,433)	—
Proceeds from maturity of insurance funds	—	57,675
Other	1,712	(15,076)
Net cash provided by (used in) investing activities	(2,833,432)	(919,128)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,236,755)	2,268,955
Proceeds from long-term loans payable	6,426,277	—
Repayments of long-term loans payable	(5,673,608)	(874,859)
Repayments of finance lease obligations	(328,252)	(403,649)
Repayments of installment payables	(59,156)	(106,872)
Purchase of treasury shares	(20)	(133,654)
Proceeds from issuance of bonds	1,933,893	—
Cash dividends paid	(85,393)	(85,690)
Net cash provided by (used in) financing activities	976,984	664,229
Effect of exchange rate change on cash and cash equivalents	(19,672)	(104,019)
Net increase (decrease) in cash and cash equivalents	(59,318)	584,533
Cash and cash equivalents at beginning of period	4,195,496	4,156,874
Increase in cash and cash equivalents from newly consolidated subsidiary	20,696	—
Cash and cash equivalents at end of period	4,156,874	4,741,407